

December 3, 2001

TRADE AND AMERICAN FAMILIES

“Trade Promotion Authority is an important tool to help strengthen the U.S. economy and create American jobs. It provides U.S. trade negotiators with needed credibility and authority to open markets that benefit America’s workers and farmers.”

–former U.S. Trade Representatives Strauss, Brock, Yeutter and Hills

- Trade helps to stimulate economic growth, and supports the creation of higher paying jobs, thus helping American families to meet financial obligations ranging from health care to car payments to retirement savings.
- American families benefit from trade and open markets every day. Trade delivers a greater choice of goods – everything from food and furniture to computers and cars – at lower prices.
- Trade Promotion Authority will benefit American families by helping the United States to pursue – and complete – trade agreements. These agreements are equivalent to tax cuts, as they reduce tariffs and thus produce lower-priced goods.
- The two major trade agreements of the 1990s – the North American Free Trade Agreement and the Uruguay Round – generate annual benefits of \$1300-\$2000 for the average American family of four.
 - An additional \$1300-\$2000 would fund a year of community college, more than two months of full-time day care, or three months of groceries.
- Trade is a vital part of the U.S. economy. Nearly one of every ten jobs – an estimated 12 million overall – is directly linked to the export of U.S. goods and services.
 - Jobs linked to goods exports are estimated to pay 13-18 percent more than the U.S. national average.
- The global trade negotiations launched in Doha, Qatar on November 14 can generate real benefits for American families.
- The negotiations present a special opportunity to enhance the productivity and competitiveness of the U.S. economy. This, in turn, will support higher-wage employment and increased living standards.
 - The average American family of four could see an *annual* income gain of nearly \$2,500 from a global reduction in tariffs and trade barriers – the objective of the negotiations – according to a University of Michigan study.

- The value of trade (goods, services, and investment earnings) now represents more than one third of our economy, up from 13 percent in 1970.
- Lower income families are frequently the biggest beneficiaries of trade. By making everyday goods, such as food, clothing, and housewares, more affordable, these families can keep more of what they earn.
- At the start of this school year, Maryland and the District of Columbia offered a week of sales tax relief so parents could save 5 to 6 percent when they bought clothes or supplies for kids going back to school. So why not support lower prices of 6 or 8 or 10 or 12 percent for food and clothes and school supplies not just for one week, but every week of the year?